

**UNIFIED SCHOOL DISTRICT NO. 395  
LaCrosse, Kansas**

**Primary Government Financial Statements  
with Independent Auditors' Report**

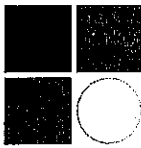
**For the Year Ended June 30, 2008**

**UNIFIED SCHOOL DISTRICT NO. 395**  
Primary Government Financial Statements  
with Independent Auditors' Report  
For the Year Ended June 30, 2008

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Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
**Unified School District No. 395**  
LaCrosse, KS 67548

We have audited the accompanying primary government financial statements of **Unified School District No. 395, LaCrosse, Kansas**, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of **Unified School District No. 395, LaCrosse, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate blended component unit would have been reported as \$88,364 for the Public School Foundation for Educational Excellence.

As described more fully in Note 1, **Unified School District No. 395, LaCrosse, Kansas** has prepared its financial statements using accounting practices prescribed or permitted by the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the two preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 395, LaCrosse, Kansas**, as of June 30, 2008, or changes in financial position thereof for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Unified School District No. 395, LaCrosse, Kansas**, as of June 30, 2008, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

*(Adams) Brown, Beran & Ball*

**ADAMS, BROWN, BERAN & BALL, CHTD.**  
Certified Public Accountants

October 6, 2008

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended June 30, 2008

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
General Fund	\$ (167,352)	49	2,603,448	2,619,151	(183,006)	42,947	(140,059)
Supplemental General Fund	27,011	-	571,839	573,500	25,350	19,609	44,959
<b>Special Revenue Funds</b>							
Capital Outlay Fund	1,045,847	-	352,561	822,613	575,795	93,746	669,541
Driver Training Fund	26,889	-	5,140	4,113	27,916	2,730	30,646
Food Service Fund	53,068	-	191,094	183,122	61,040	54	61,094
Professional Development Fund	12,607	-	11,222	10,166	13,663	-	13,663
Parent Education Program Fund	4,000	-	4,000	4,000	4,000	-	4,000
Summer School Fund	22,038	-	15,749	11,808	25,979	-	25,979
Special Education Fund	458,536	-	487,546	489,548	456,534	416	456,950
Vocational Education Fund	-	-	119,324	119,324	-	641	641
KPERS Special Retirement Contribution Fund	-	-	130,445	130,445	-	-	-
At Risk (K-12) Fund	-	-	187,645	187,645	-	8,431	8,431
Contingency Reserve Fund	153,330	-	3,819	-	157,149	-	157,149
Textbook Rental Fund	34,311	-	34,141	25,194	43,258	25,703	68,961
Title I Fund	8,922	-	57,073	58,521	7,474	441	7,915
Title V Fund	-	-	763	763	-	114	114
Technology Grant Fund	(13,594)	-	33,019	19,425	-	-	-
Title II A - Teacher Quality Fund	-	-	19,801	19,801	-	6,913	6,913
Title II D - Education Technology Fund	-	-	566	566	-	366	366
Gate Receipts	5,322	-	31,688	31,669	5,341	-	5,341
School Projects	7,183	-	14,110	14,991	6,302	-	6,302
<b>Total Reporting Unit (Excluding Agency Funds)</b>	<b>\$ 1,678,118</b>	<b>49</b>	<b>4,874,993</b>	<b>5,326,365</b>	<b>1,226,795</b>	<b>202,111</b>	<b>1,428,906</b>
<b>Composition of Cash:</b>							\$
Checking Accounts							39,884
Savings Accounts							218,380
Certificates of Deposit							1,200,000
<b>Total Cash</b>							<b>1,458,264</b>
<b>Less Agency Funds per Statement 4</b>							<b>(29,358)</b>
<b>Total Reporting Unit (Excluding Agency Funds)</b>							<b>\$ 1,428,906</b>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395  
LaCrosse, Kansas  
Summary of Expenditures - Actual and Budget  
For the Year Ended June 30, 2008

Fund	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
<b>Governmental Funds</b>						
General Fund	\$ 2,633,148	(13,997)	-	2,619,151	2,619,151	-
Supplemental General Fund	573,500	-	-	573,500	573,500	-
<b>Special Revenue Funds</b>						
Capital Outlay Fund	955,734	-	-	955,734	822,613	133,121
Driver Training Fund	15,117	-	-	15,117	4,113	11,004
Food Service Fund	245,830	-	-	245,830	183,122	62,708
Professional Development Fund	10,588	-	-	10,588	10,166	422
Parent Education Program Fund	4,000	-	-	4,000	4,000	-
Summer School Fund	12,888	-	-	12,888	11,808	1,080
Special Education Fund	534,271	-	-	534,271	489,548	44,723
Vocational Education Fund	146,216	-	-	146,216	119,324	26,892
KPERS Special Retirement Contribution Fund	137,904	-	-	137,904	130,445	7,459
At Risk (K-12) Fund	187,645	-	-	187,645	187,645	-

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## General Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Taxes and Shared Revenues</b>				
Taxes	\$ 417,560	423,389	409,628	13,761
<b>Intergovernmental Revenue</b>				
Mineral Production Tax	8,845	8,256	1,000	7,256
Equalization Aid	1,908,844	1,845,602	1,879,778	(34,176)
State Aid	285,555	326,201	340,389	(14,188)
<b>Total Cash Receipts</b>	<u>2,620,804</u>	<u>2,603,448</u>	<u>2,630,795</u>	<u>(27,347)</u>
<b>Expenditures</b>				
Instruction	1,025,405	1,098,290	1,141,321	43,031
Student Support Services	52,813	9,308	58,091	48,783
Instructional Support Services	61,454	50,799	43,804	(6,995)
General Administration	171,415	195,101	187,588	(7,513)
School Administration	144,310	153,860	147,313	(6,547)
Operation and Maintenance	282,781	277,536	333,009	55,473
Vehicle Operating Services	149,662	162,291	158,988	(3,303)
Operating Transfers	667,664	671,966	563,034	(108,932)
<b>Total Expenditures</b>	<u>2,555,504</u>	<u>2,619,151</u>	<u>2,633,148</u>	<u>13,997</u>
<b>Adjustment to Comply with Legal Max</b>	<u>-</u>	<u>-</u>	<u>(13,997)</u>	<u>(13,997)</u>
<b>Legal General Fund Budget</b>	<u>2,555,504</u>	<u>2,619,151</u>	<u>2,619,151</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	65,300	(15,703)		
<b>Unencumbered Cash, July 1</b>	(232,742)	(167,352)		
<b>Prior Year Cancelled Encumbrances</b>	<u>90</u>	<u>49</u>		
<b>Unencumbered Cash, June 30</b>	<u>\$ (167,352)</u>	<u>(183,006)</u>		

The notes to the financial statements are an integral part of this statements.

**UNIFIED SCHOOL DISTRICT NO. 395**  
**LaCrosse, Kansas**  
**Supplemental General Fund**  
**Statement of Cash Receipts and Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2008**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Taxes and Shared Revenues</b>				
Taxes	\$ 497,855	491,576	461,702	29,874
<b>Intergovernmental Revenue</b>				
Equalization Aid	78,956	80,263	74,115	6,148
<b>Total Cash Receipts</b>	<u>576,811</u>	<u>571,839</u>	<u>535,817</u>	<u>36,022</u>
<b>Expenditures</b>				
Instruction	216,670	182,960	248,068	65,108
Operating Transfers	351,260	390,540	325,432	(65,108)
<b>Total Expenditures</b>	<u>567,930</u>	<u>573,500</u>	<u>573,500</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	8,881	(1,661)		
<b>Unencumbered Cash, July 1</b>	<u>18,130</u>	<u>27,011</u>		
<b>Unencumbered Cash, June 30</b>	<u>\$ 27,011</u>	<u>25,350</u>		

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## Capital Outlay Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Taxes and Shared Revenues</b>				
Taxes	\$ 91,928	96,461	92,639	3,822
<b>Intergovernmental Revenue</b>				
State Aid	4,251	-	-	-
<b>Other Local Sources</b>				
Interest on Idle Funds	88,770	77,577	-	77,577
Miscellaneous	5,345	15,214	-	15,214
Insurance Proceeds	49,352	9,008	-	9,008
Operating Transfers	228,802	154,301	10,000	144,301
<b>Total Cash Receipts</b>	468,448	352,561	102,639	249,922
<b>Expenditures</b>				
Instruction	44,031	168,814	150,000	(18,814)
General Administration	1,637	800	6,500	5,700
School Administration	328	626	6,000	5,374
Operation and Maintenance	13,638	5,502	25,000	19,498
Facility Acquisition and Construction	133,791	646,871	768,234	121,363
<b>Total Expenditures</b>	193,425	822,613	955,734	133,121
<b>Receipts Over (Under) Expenditures</b>	275,023	(470,052)		
<b>Unencumbered Cash, July 1</b>	770,305	1,045,847		
<b>Prior Year Cancelled Encumbrances</b>	519	-		
<b>Unencumbered Cash, June 30</b>	\$ 1,045,847	575,795		

The notes to the financial statements are an integral part of this statement.



## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
State Aid	\$ 1,316	1,540	2,592	(1,052)
Other Local Sources				
Student Fees	2,100	3,600	-	3,600
<b>Total Cash Receipts</b>	<u>3,416</u>	<u>5,140</u>	<u>2,592</u>	<u>2,548</u>
<b>Expenditures</b>				
Instruction	2,112	4,006	5,298	1,292
Supplies	-	-	7,528	7,528
Vehicle Operating Services	1,129	107	2,291	2,184
<b>Total Expenditures</b>	<u>3,241</u>	<u>4,113</u>	<u>15,117</u>	<u>11,004</u>
<b>Receipts Over (Under) Expenditures</b>	175	1,027		
<b>Unencumbered Cash, July 1</b>	<u>26,714</u>	<u>26,889</u>		
<b>Unencumbered Cash, June 30</b>	<u>\$ 26,889</u>	<u>27,916</u>		

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Intergovernmental Revenue</b>				
State Aid	\$ 2,101	2,367	1,922	445
Federal Aid	73,428	72,456	64,089	8,367
<b>Other Local Sources</b>				
Lunch Receipts - Students	56,468	56,870	52,789	4,081
Lunch Receipts - Adults	1,061	1,269	1,040	229
Operating Transfers	36,110	57,776	72,922	(15,146)
Miscellaneous	351	356	-	356
<b>Total Cash Receipts</b>	169,519	191,094	192,762	(1,668)
<b>Expenditures</b>				
Food Service Operation	168,051	183,122	245,830	62,708
<b>Receipts Over (Under) Expenditures</b>	1,468	7,972		
<b>Unencumbered Cash, July 1</b>	51,600	53,068		
<b>Unencumbered Cash, June 30</b>	\$ 53,068	61,040		

The notes to the financial statements are an integral part of this statement.

**UNIFIED SCHOOL DISTRICT NO. 395**  
**LaCrosse, Kansas**  
**Professional Development Fund**  
**Statement of Cash Receipts and Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2008**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue	\$			
State Aid	1,021	1,222	1,400	(178)
<b>Other Local Sources</b>				
Operating Transfers	-	10,000	-	10,000
<b>Total Cash Receipts</b>	1,021	11,222	1,400	9,822
<b>Expenditures</b>				
Instruction	7,900	10,166	-	(10,166)
Instructional Support Services	-	-	10,588	10,588
<b>Total Expenditures</b>	7,900	10,166	10,588	422
<b>Receipts Over (Under) Expenditures</b>	(6,879)	1,056		
<b>Unencumbered Cash, July 1</b>	19,486	12,607		
<b>Unencumbered Cash, June 30</b>	\$ 12,607	13,663		

The notes to the financial statements are an integral part of this statement.

**UNIFIED SCHOOL DISTRICT NO. 395**  
**LaCrosse, Kansas**  
**Parent Education Program Fund**  
**Statement of Cash Receipts and Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2008**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Operating Transfers	\$ 8,000	4,000	-	4,000
<b>Expenditures</b>				
Payment to Coop	4,000	4,000	4,000	-
<b>Receipts Over (Under) Expenditures</b>	4,000	-		
<b>Unencumbered Cash, July 1</b>	-	4,000		
<b>Unencumbered Cash, June 30</b>	\$ 4,000	4,000		

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## Summer School Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Operating Transfers	\$ 10,000	15,749	-	15,749
<b>Expenditures</b>				
Instruction	863	11,808	12,888	1,080
<b>Receipts Over (Under) Expenditures</b>	9,137	3,941		
<b>Unencumbered Cash, July 1</b>	12,901	22,038		
<b>Unencumbered Cash, June 30</b>	\$ 22,038	25,979		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395  
LaCrosse, Kansas  
Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2008  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Operating Transfers	\$ 445,555	487,546	470,389	17,157
<b>Expenditures</b>				
Instruction	426,095	439,045	456,477	17,432
Vehicle Operating Services	35,366	50,503	77,794	27,291
<b>Total Expenditures</b>	461,461	489,548	534,271	44,723
<b>Receipts Over (Under) Expenditures</b>	(15,906)	(2,002)		
<b>Unencumbered Cash, July 1</b>	474,442	458,536		
<b>Unencumbered Cash, June 30</b>	\$ 458,536	456,534		

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Operating Transfers	\$ 124,242	119,324	146,216	(26,892)
<b>Expenditures</b>				
Instruction	124,242	119,324	146,216	26,892
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash, July 1</b>	-	-		
<b>Unencumbered Cash, June 30</b>	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395  
LaCrosse, Kansas  
KPERs Special Retirement Contribution Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2008  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
KPERs Contributions	\$ 114,920	130,445	137,904	(7,459)
<b>Expenditures</b>				
Instruction	77,931	96,348	96,204	(144)
Student Support Services	3,412	3,803	5,500	1,697
Instructional Support Services	2,580	2,604	2,217	(387)
General Administration	9,798	7,907	11,000	3,093
School Administration	7,833	7,817	8,200	383
Operations and Maintenance	6,005	4,773	6,500	1,727
Student Transportation Services	1,568	1,561	1,950	389
Food Service	5,793	5,632	6,333	701
<b>Total Expenditures</b>	114,920	130,445	137,904	7,459
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash, July 1</b>	-	-		
<b>Unencumbered Cash, June 30</b>	\$ -	-		

The notes to the financial statements are an integral part of this statement.



## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

At Risk (K-12) Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Cash Receipts</b>				
Operating Transfers	\$ 126,027	187,645	187,645	-
<b>Expenditures</b>				
Instruction	126,027	187,645	187,645	-
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash, July 1</b>	-	-		
<b>Unencumbered Cash, June 30</b>	\$ -	-		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395  
LaCrosse, Kansas  
Contingency Reserve Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2008  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

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	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ 23,280	3,819
Unencumbered Cash, July 1	130,050	153,330
Unencumbered Cash, June 30	\$ 153,330	157,149

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## Textbook Rental Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Book Rental Fees	\$ 11,640	11,795
Operating Transfers	16,908	22,346
<b>Total Cash Receipts</b>	28,548	34,141
<b>Expenditures</b>		
Instruction	7,838	25,194
<b>Receipts Over (Under) Expenditures</b>	20,710	8,947
<b>Unencumbered Cash, July 1</b>	13,601	34,311
<b>Unencumbered Cash, June 30</b>	\$ 34,311	43,258

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## Title I Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Federal Aid	\$ 61,139	57,073
<b>Expenditures</b>		
Instruction	52,218	49,599
Instruction - Carryover	9,502	8,922
<b>Total Expenditures</b>	61,720	58,521
<b>Receipts Over (Under) Expenditures</b>	(581)	(1,448)
<b>Unencumbered Cash, July 1</b>	9,503	8,922
<b>Unencumbered Cash, June 30</b>	\$ 8,922	7,474

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## Title V Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Federal Aid	\$ 794	763
<b>Expenditures</b>		
Instruction	-	114
Student Support Services	794	649
<b>Total Expenditures</b>	794	763
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash, July 1</b>	-	-
<b>Unencumbered Cash, June 30</b>	\$ -	-

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## Technology Grant Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Grants	\$ 6,104	33,019
<b>Expenditures</b>		
Instruction	19,698	19,425
<b>Receipts Over (Under) Expenditures</b>	(13,594)	13,594
<b>Unencumbered Cash, July 1</b>	-	(13,594)
<b>Unencumbered Cash, June 30</b>	\$ (13,594)	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395  
 LaCrosse, Kansas  
 Title II A - Teacher Quality Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended June 30, 2008  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Federal Aid	\$ 20,039	19,801
<b>Expenditures</b>		
Instruction	20,039	19,801
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash, July 1</b>	-	-
<b>Unencumbered Cash, June 30</b>	\$ -	-

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 395  
LaCrosse, Kansas  
Title II D - Education Technology Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2008  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

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	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 597	566
Expenditures		
Instruction	597	566
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.



UNIFIED SCHOOL DISTRICT NO. 395  
LaCrosse, Kansas  
Agency Funds  
Summary of Cash Receipts and Cash Disbursements  
For the Year Ended June 30, 2008

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<b>Activity Funds - Student Organizations</b>				
<b>High School</b>				
Class of 2007	\$ 124	-	124	-
Class of 2008	2,415	104	1,404	1,115
Class of 2009	1,832	11,600	11,652	1,780
Class of 2010	1,201	1,476	229	2,448
Class of 2011	-	2,355	1,179	1,176
FFA	1,430	11,608	12,234	804
STUCO	339	7,221	6,259	1,301
Spirit Club	45	-	-	45
Leopard Club	8,406	14,940	16,024	7,322
Speech/Drama	1,297	810	1,005	1,102
National Honor Society	265	102	246	121
Weight Lifting	2,567	5,588	6,429	1,726
SADD	139	2,541	1,973	707
Band	1,790	3,335	2,475	2,650
Chorus	231	116	78	269
Cheerleaders	1,163	7,914	8,181	896
Foreign Language	4,453	6,801	10,601	653
Industrial Arts Club	1,216	166	374	1,008
Art Club	681	79	52	708
<b>Subtotal High School</b>	<b>29,594</b>	<b>76,756</b>	<b>80,519</b>	<b>25,831</b>
<b>Middle School</b>				
Music Club	464	100	63	501
STUCO	1,049	1,444	1,459	1,034
NJHS	98	-	93	5
Cheerleaders	315	4,408	3,330	1,393
<b>Subtotal Middle School</b>	<b>1,926</b>	<b>5,952</b>	<b>4,945</b>	<b>2,933</b>
<b>Grade School</b>				
STUCO	-	2,784	2,190	594
<b>Total Student Organizations</b>	<b>\$ 31,520</b>	<b>85,492</b>	<b>87,654</b>	<b>29,358</b>

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

## District Activity Funds

Statement of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended June 30, 2008

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts</b>						
High School						
Athletics	\$ 4,676	28,875	28,415	5,136	-	5,136
Middle School						
Athletics	646	2,813	3,254	205	-	205
<b>Total Gate Receipts</b>	<b>5,322</b>	<b>31,688</b>	<b>31,669</b>	<b>5,341</b>	<b>-</b>	<b>5,341</b>
<b>School Projects</b>						
High School						
Prom Party	1,573	4,047	4,135	1,485	-	1,485
Engineering & Design	269	890	1,069	90	-	90
Weight Room Equip Fund	682	-	-	682	-	682
Entrepreneur	333	60	-	393	-	393
Concessions	617	1,306	942	981	-	981
Book Fair	258	561	751	68	-	68
Site Council	-	1,604	1,296	308	-	308
Drafting	700	-	700	-	-	-
Construction	500	250	199	551	-	551
<b>Subtotal High School</b>	<b>4,932</b>	<b>8,718</b>	<b>9,092</b>	<b>4,558</b>	<b>-</b>	<b>4,558</b>
<b>Middle School</b>						
Concessions	536	36	282	290	-	290
Accelerated Reader	63	-	-	63	-	63
<b>Subtotal Middle School</b>	<b>599</b>	<b>36</b>	<b>282</b>	<b>353</b>	<b>-</b>	<b>353</b>
<b>Grade School</b>						
Book Fair/Accel. Reader	1,577	4,956	5,142	1,391	-	1,391
McDonald Grant	-	400	400	-	-	-
Walk A Mile	75	-	75	-	-	-
<b>Subtotal Grade School</b>	<b>1,652</b>	<b>5,356</b>	<b>5,617</b>	<b>1,391</b>	<b>-</b>	<b>1,391</b>
<b>Total School Projects</b>	<b>7,183</b>	<b>14,110</b>	<b>14,991</b>	<b>6,302</b>	<b>-</b>	<b>6,302</b>
<b>Total District Activity Funds</b>	<b>\$ 12,505</b>	<b>45,798</b>	<b>46,660</b>	<b>11,643</b>	<b>-</b>	<b>11,643</b>

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 395

### Notes to Financial Statements

June 30, 2008

#### 1. Summary of Significant Accounting Policies

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

##### A. Financial Reporting Entity

**Unified School District No. 395, LaCrosse, Kansas**, is a municipal corporation governed by an elected board. The District receives funding from local, state, and federal governmental sources and must comply with the requirements of these funding sources.

**Unified School District No. 395, LaCrosse, Kansas**, is the primary government as defined in GASB #14 and further amended by GASB #39. The School Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

The following is a component unit of **Unified School District No. 395, LaCrosse, Kansas**. The District exercises significant influence or accountability based primarily on operational or financial relationships with the District (as distinct from legal relationships).

##### USD 395 Public School Foundation for Educational Excellence

The Unified School District No. 395 School Foundation for Educational Excellence is organized as a non-profit organization in the State of Kansas for the sole purpose of providing charitable and educational functions to **Unified School District No. 395, LaCrosse, Kansas**. The Board of Trustees of the foundation are the members of the Board of Education of Unified School District No. 395. Their financial statements are not included in this report. Contact the District Clerk for information on how to obtain their financial information.

##### B. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2008:

##### Governmental Type Funds

**General Fund** – reports as the primary fund of the District. The fund is used to account for all financial resources not reported in other funds.

**Special Revenue Funds** – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specific purposes.

##### Fiduciary Fund

**Student Activity Fund** - an agency fund that accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

UNIFIED SCHOOL DISTRICT NO. 395

Notes to Financial Statements

June 30, 2008

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**C. Statutory Basis of Accounting**

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

**D. Departure from Accounting Principles Generally Accepted in the United States of America**

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal, and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

**E. Accounting for Capital Assets and Depreciation**

The District does not maintain a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

**F. Budgetary Information**

Kansas Statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), and Debt Service Funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

## UNIFIED SCHOOL DISTRICT NO. 395

### Notes to Financial Statements

June 30, 2008

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#### F. Budgetary Information (cont.)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The General, At Risk (K-12), and Special Education Funds were amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds: Contingency Reserve, Textbook Rental, Title I, Title V, Technology Grant, Title II A – Teacher Quality, and Title II D – Education Technology.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

#### G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

#### H. Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the Summary of Cash Receipts, Expenditures, and Unencumbered Cash.

As of June 30, 2008, the District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the County in which the District is located or in an adjoining County if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

## UNIFIED SCHOOL DISTRICT NO. 395

Notes to Financial Statements  
June 30, 2008

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### H. Deposits and Investments (cont.)

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not use "peak periods" during the fiscal year 2008. All deposits were legally secured at June 30, 2008.

At June 30, 2008, the District's carrying amount of deposits was \$1,458,264 and the bank balance was \$1,766,732. Of the bank balance, \$300,000 was covered by federal depository insurance and \$1,466,732 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

### I. Property Tax Calendar

Property taxes are collected and remitted to the District by the County Treasurer. Taxes levied annually on November 1<sup>st</sup> are due one half by December 20<sup>th</sup> and one half by May 10<sup>th</sup>. Major property tax payments are received December through June and are recognized as revenue in the year received.

### J. Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

### K. Compensated Absences

Accrued sick leave is paid to employees who separate from service due to retirement, work force reduction, disability or death, provided the employee has been employed by the district for ten or more years as of the 2000 – 2001 contract year. The amount paid due to separation from service is equal to \$50 a day times the number of days accumulated not to exceed 60 days. No accumulated sick leave is paid to employees at separation of service for any other reason. For active employees, the maximum amount of sick leave they can accumulate is 90 days. The total potential liability for sick leave of the District as of June 30, 2008 was approximately \$374,544.

### L. Defined Benefit Pension Plan

**Plan description** - Unified School District No. 395, LaCrosse, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 395

Notes to Financial Statements  
June 30, 2008

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**L. Defined Benefit Pension Plan (cont.)**

**Funding Policy** - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 7.37% of covered payroll for the fiscal year ended June 30, 2008. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2008, 2007, and 2006 were \$220,815,154, \$192,425,626, and \$159,728,918, respectively, equal to the required contributions for each year.

**M. Deferred Compensation Plan**

The District sponsors a deferred compensation plan under the Internal Revenue Code Section 403(b). Permanent and part time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

**N. Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the District for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

**2. Operating Leases**

On May 19, 2007, the District entered into a three year operating lease agreement with Durham School Services, L.P. for the use of school buses. Operating leases do not give rise to property rights or lease obligations and therefore, the results of this lease agreement are not reflected in the District's financial statements. The final payment of \$119,704 is due before June 30, 2009.

**UNIFIED SCHOOL DISTRICT NO. 395****Notes to Financial Statements**

June 30, 2008

**3. Transfers and Payments**

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects, and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas Statutes. The District's operating transfers and statutory authority for June 30, 2008 were as follows:

From	To	Statutory Authority	Amount
General	Capital Outlay	K.S.A. 72-8803	\$ 154,301
General	Special Education	K.S.A. 72-6420	326,201
General	Contingency Reserve	K.S.A. 72-6426	3,819
General	At Risk (K-12)	K.S.A. 72-6414a	187,645
Total General			<u>671,966</u>
Supplemental General	Special Education	K.S.A. 72-6420	161,345
Supplemental General	Parent Education Program	K.S.A. 72-3607	4,000
Supplemental General	Food Service	K.S.A. 72-5119	57,776
Supplemental General	Vocational Education	K.S.A. 72-6421	119,324
Supplemental General	Summer School	K.S.A. 72-8237	15,749
Supplemental General	Textbook Rental	K.S.A. 72-6428	22,346
Supplemental General	Professional Development	K.S.A. 72-9609	10,000
Total Supplemental General			<u>390,540</u>
Total			<u>\$ 1,062,506</u>

**4. Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**5. Risk Management – Claims and Judgments**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The District has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other Districts in the State to participate in the Kansas Association of School Boards Risk Management Services, a public entity risk pool currently operating as a common risk management and insurance program.

The District pays an annual premium to the Kansas Association of School Boards Risk Management Services for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Risk Management Services will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards Risk Management Services' management.

The District carries commercial insurance for all other risks of loss, including property, general liability inland marine, auto, linebacker, fidelity bond, comprehensive collision, and student activity coverage.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2008, the financial statements do not include liabilities for anticipated costs.



UNIFIED SCHOOL DISTRICT NO. 395

Notes to Financial Statements

June 30, 2008

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6. Litigation

The District is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the District.

7. Grants and Shared Revenues

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

8. Comparative Data

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement 1) has not been presented since their inclusion would make certain statements unduly complex and difficult to read.

9. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The revenue as required by these Statutes is disclosed on pages 32 and 33.

The District has checks outstanding for more than two years which is in violation of K.S.A. 10-816.

UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

General Fund

Note 9 - Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2008

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
<b>Statutory Revenues</b>			
Taxes and Shared Revenues			
Taxes	\$ 423,389	409,628	13,761
Intergovernmental Revenue			
Mineral Production Tax	8,256	1,000	7,256
Equalization Aid	1,858,951	1,879,778	(20,827)
State Aid	326,201	340,389	(14,188)
<b>Total Statutory Revenues</b>	<b>2,616,797</b>	<b>2,630,795</b>	<b>(13,998)</b>
<b>Expenditures</b>			
Instruction	1,098,290	1,141,321	43,031
Student Support Services	9,308	58,091	48,783
Instructional Support Services	50,799	43,804	(6,995)
General Administration	195,101	187,588	(7,513)
School Administration	153,860	147,313	(6,547)
Operation and Maintenance	277,536	333,009	55,473
Vehicle Operating Services	162,291	158,988	(3,303)
Operating Transfers	671,966	563,034	(108,932)
<b>Total Expenditures</b>	<b>2,619,151</b>	<b>2,633,148</b>	<b>13,997</b>
<b>Adjustment to Comply with Legal Max</b>	<b>-</b>	<b>(13,997)</b>	<b>(13,997)</b>
<b>Legal General Fund Budget</b>	<b>2,619,151</b>	<b>2,619,151</b>	<b>-</b>
<b>Statutory Revenues Over (Under) Expenditures</b>	<b>(2,354)</b>		
Modified Unencumbered Cash, July 1	2,354		
Prior Year Cancelled Encumbrances	49		
Modified Unencumbered Cash, June 30	\$ 49		

UNIFIED SCHOOL DISTRICT NO. 395

LaCrosse, Kansas

Supplemental General Fund

Note 9 - Statutory Revenues and Expenditures - Statutory and Budget  
For the Year Ended June 30, 2008

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
<b>Statutory Revenues</b>			
Taxes and Shared Revenues			
Taxes	\$ 491,576	461,702	29,874
Intergovernmental Revenue			
Equalization Aid	74,956	74,115	841
<b>Total Statutory Revenues</b>	<b>566,532</b>	<b>535,817</b>	<b>30,715</b>
<b>Expenditures</b>			
Instruction	182,960	248,068	65,108
Operating Transfers	390,540	325,432	(65,108)
<b>Total Expenditures</b>	<b>573,500</b>	<b>573,500</b>	<b>-</b>
<b>Statutory Revenues Over (Under) Expenditures</b>	<b>(6,968)</b>		
Modified Unencumbered Cash, July 1	37,683		
Modified Unencumbered Cash, June 30	\$ 30,715		

# UNIFIED SCHOOL DISTRICT NO. 395

Notes to Financial Statements  
June 30, 2008

## 10. Long Term Debt

The District has the following type of Long Term Debt:

### Lease Obligations

The District entered into a lease agreement with Wells Fargo for photocopy machines. The District has the option to purchase the photocopy machines at the expiration of the lease term. The lease contains a fiscal funding clause.

As of June 30, 2008, the District had the following capital lease:

<u>Lease Date</u>	<u>Property</u>	<u>Interest Rate</u>	<u>Amount</u>
09/21/04	Photocopy Machines	11.328%	\$23,040

The following is a schedule by years of future minimum lease payments for the capital lease together with the present value of the net minimum lease payments as of June 30, 2008.

<u>Year Ending June 30:</u>	<u>Photocopy Machines</u>
2009	\$ 6,000
2010	1,000
Total Minimum Lease Payments	7,000
Less: Amount Representing Interest	(472)
Present Value of Future Minimum Lease Payments	\$ 6,528

The District entered into a lease agreement with Farmers Bank and Trust Company for air conditioners. The District entered into this \$527,465 lease on August 1, 2006 for a three year term at 4.848%. This lease was paid in full during the 2007-2008 year.

Long-term debt activity for the year ended June 30, 2008 was as follows.

<u>Issue</u>	<u>Balance 07/01/07</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance 06/30/08</u>	<u>Interest Paid</u>
<b>Capital Leases</b>						
Photocopy Machines	\$ 11,479	-	(4,951)	(4,951)	6,528	1,049
Air Conditioners	527,465	-	(527,465)	(527,465)	-	34,248
<b>Total Capital Leases</b>	538,944	-	(532,416)	(532,416)	6,528	35,297
<b>Amount to be Provided for:</b>						
Compensated Absences	373,725	-	-	819	374,544	-
<b>Total Long Term Debt</b>	<b>\$ 912,669</b>	<b>-</b>	<b>(532,416)</b>	<b>(531,597)</b>	<b>381,072</b>	<b>35,297</b>